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RECORD OF ORAL HEARING

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES

Ex parte WALTER M. BAIN

Appeal 2008-2809
Application 10/755,849
Technology Center 3600

Oral Hearing Held: April 7, 2009

Before HURBERT C. LORIN, DAVID B. WALKER, and BIBHU R. MOHANTY, Administrative Patent Judges

ON BEHALF OF THE APPELLANT:

JAMES CANNON, ESQUIRE
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The above-entitled matter came on for hearing on Tuesday, April 7, 2009, commencing at 9:55 a.m., at The U.S. Patent and Trademark Office, 600 Dulany Street, Alexandria, Virginia, before Christine L. Loeser, Notary Public.

1 JUDGE LORIN: Good morning, Counsel.

2 MR. CANNON: Good morning.

3 JUDGE LORIN: If you could state your name clearly for the court
4 reporter.

5 MR. CANNON: James R. Cannon.

6 JUDGE LORIN: Okay, Counsel. We are familiar with the record.
7 When you are ready, you may proceed. You have 20 minutes.

8 MR. CANNON: All right. Forgive me because this is the first -- I
9 have been practicing patent law for 18 years but this is my first oral hearing.
10 I'm a little bit at a loss of where to begin.

11 I'd be more than happy to talk about the invention. I would be more
12 than happy to talk about the prior art, the rejection, but I guess I'm ...

13 JUDGE MOHANTY: We are familiar with the invention. I think we
14 are all -- it's very simple and has been described. It might be good to focus
15 on what you think the deficiencies in the rejection are.

16 MR. CANNON: Sure.

17 JUDGE MOHANTY: We have two sets of rejections. Actually, I just
18 wanted to clarify with you, we have two different sets of rejections, and I
19 noticed the Examiner's Answer. I don't know if you noticed that, too.

20 MR. CANNON: They changed.

21 JUDGE MOHANTY: They changed. But he seems to acknowledge
22 that the ones that you addressed in your brief are the correct rejections. I
23 just want to make sure we are on the same page as that.

24 You have the first set that is under Williams and Schlampf and Liff,
25 and the second is just Williams and Schlampf. So if you want address what
26 you think the deficiencies are.

1 MR. CANNON: Sure, sure. Williams is really a typical pharmacy
2 with a computerized system that addresses certain stations or certain tasks
3 within the pharmacy. Obviously, within a pharmacy, you have got a number
4 of things that you have to do to go from prescription to dispensing or
5 distribution of the prescription to the patient.

6 Some of these are state regulations, some are federal regulations,
7 whatever. Williams is really devoted to trying to track some of those with a
8 computer system and automate it as much as possible.

9 What's clearly missing from Williams is any sort of a true will-call-
10 type system other than a set of cubbyholes that as best I can tell really don't
11 have any connection to that pharmacy information system at all.

12 Simply, when the prescription is done, they stick it in one of the
13 cubbyholes, and when the patient shows up to collect the prescription, they
14 retrieve it and hand it to him.

15 So even though there was some thought in Williams about how to
16 make a pharmacy more efficient, clearly it never got to the point of, now the
17 prescription is finished. What do we do to get it to the patient a little more
18 efficiently?

19 Schlampf -- and that's the way I pronounced it in my head all these
20 weeks so I'm going to continue to do that -- is really a glorified vending
21 machine. It's a way for a merchandiser to put merchandise into a locker or
22 something similar from one side of the building and have the customer
23 access it from the other side of the building at the customer's convenience.

24 One of the deficiencies is it never mentions prescriptions as a possible
25 piece of merchandise for dispensing. I suspect one of the reasons for that is
26 that there are a lot of regulations that go into getting a prescription from a

1 pharmacist to a patient, and they may have just not have been interested in
2 trying to do something with that level of security and regulation.

3 Liff is a little different. It dispenses what they call pre-packaged
4 pharmaceuticals. It is essentially a way for a doctor's office to make it easier
5 on the patients if a doctor prescribes something common, whether it be
6 Amoxicillin or Lipitor, something like that.

7 That makes it easy for those very commonly dispensed
8 pharmaceuticals to be given to the patient on site, but it is all prepackaged in
9 the machine.

10 There is no way to vary the prescription. There is no way to
11 customize the prescription. The customer just simply -- or the patient goes
12 over and grabs one out of the -- grabs a prescription out of the machine. So
13 it's very limited as a result.

14 JUDGE MOHANTY: There is talk in there about the patient picking
15 it up in column 5.

16 MR. CANNON: In Liff?

17 JUDGE MOHANTY: In Liff. In column 5, it talks about
18 alternatively, the prescription can be dispensed directly to the patent, but
19 patient.

20 MR. CANNON: Right.

21 JUDGE MOHANTY: There is a way.

22 MR. CANNON: There is a way to do that. How widespread that
23 usage might realistically be, particularly again, because it's so limited to the
24 very few prescriptions that it is --

25 JUDGE MOHANTY: You do have to go back and scan and get the
26 label.

1 MR. CANNON: Correct.

2 JUDGE MOHANTY: So the patient that does that still has to go back
3 and get the label, apply it to the bottle and then get the other safety factor
4 sheet.

5 MR. CANNON: I think realistically, at most doctors' offices they
6 might say that here the patient can go pick it up out of the machine, but I
7 suspect most reputable doctors' offices would require that they be the ones
8 doing the dispensing and applying the label. Otherwise, I think they would
9 run a pretty serious risk of liability.

10 JUDGE MOHANTY: I want to know what your strongest argument
11 is for not combining these three references which pretty broadly show
12 dispensing machine. You see pharmaceuticals being dispensed. You see
13 one reference where someone goes in there, puts an ID card. I want to see
14 what your strongest arguments are for not combining these references with
15 examples.

16 MR. CANNON: I think two things, really. One is that -- and this is
17 mentioned in the brief. Forgive me for not having perfect recall of the brief.
18 I didn't write it.

19 JUDGE MOHANTY: There is a lot of stuff going on there.

20 MR. CANNON: I didn't -- this was transferred to our firm sometime
21 after the brief was written. But he mentions -- the author of the brief
22 mentions the fact that there were a lot of people working in this field at the
23 time.

24 Even though one of the great driving forces -- and this actually is one
25 of the few things in the Examiner's Answer that I agree with. He mentioned
26 -- he never mentioned three or four different motivations for combining

1 these references, and the only one that made any sense, actually, was that
2 you want to make the pharmacy more efficient.

3 People were working to make the pharmacy more efficient, and in the
4 brief, he lists the Rosenblum patent. He lists a Penny patent, I believe is the
5 woman's name. And both of them were trying to make the pharmacy more
6 efficient, yet didn't arrive at this conclusion.

7 Shortly after the inventor's work became published, all of a sudden
8 everybody was latching onto this idea. Yeah, we really could dispense to the
9 customers through some sort of automated will-call. So as a -- as an
10 objective indicia of obviousness, I think that's pretty good.

11 At least it helps to take us back to the time that this invention was
12 made and gives us a chance to look without hindsight to see what was
13 actually going on with people that were -- people who are skilled in the art.

14 JUDGE MOHANTY: It sounds like that is a secondary consideration
15 argument. I don't know whether that was a long-felt need. I am not sure
16 what that specific argument is.

17 MR. CANNON: I guess the way I would look at it, and as I read the
18 brief, this is the way I would interpret it, is that I believe that the Appellant's
19 position has to be that these are being combined with the benefit of
20 hindsight, that no one would have thought to do this at the time.

21 There really wasn't any sort of motivation to put these together, and
22 this is evidence that no one was doing that.

23 JUDGE MOHANTY: In terms of evidence that no one was doing it,
24 that's a secondary consideration. In terms of prima facie case, you are
25 arguing that there was no motivation to combine them.

26 MR. CANNON: There isn't. I don't see that. Liff creates a few

1 problems. Certainly the rejections that are Schlampf, the combination of
2 Williams and Schlampf, there is no mention in Williams of any sort of
3 distribution system. There is no mention in --

4 JUDGE MOHANTY: If I look at the Schlampf reference, for
5 example, it's a vending machine and you have to identify a code to put
6 something in. I think that's clearly disclosed. Why wouldn't it be obvious to
7 put anything in there -- gumdrops, cigarettes, prescriptions?

8 MR. CANNON: My suspicion is that it is just the nature of
9 prescriptions. Given the serious level of regulation and the serious level of
10 liability on the part of the pharmacy, that it would be very difficult to do.

11 Another thought that occurred to me was if you look at Williams --
12 and again, a lot of Williams is based on the -- a lot of the basis for it is the
13 software that's used to run the pharmacy.

14 Whenever modifications -- you couldn't just take the Schlampf
15 machine and stick it in the pharmacy and have it work. It would require a
16 fairly serious overhaul.

17 So not only would someone have to go to the trouble to recognize that
18 there's the potential for automation in pharmaceutical distribution and in
19 what is a very critical step in the whole pharmaceutical process, but they
20 would have to remove the old system and they would have to find an
21 appropriate wall to put it in which most pharmacies really don't have.

22 I mean, you'll see a typical pharmacy, they will have sort of an area.

23 JUDGE MOHANTY: Not all your claims require the wall.

24 MR. CANNON: Agreed.

25 JUDGE MOHANTY: In fact, you haven't made the argument for the
26 wall. Take, for example, claim 81, and this is just under rejection 2

1 references. If you could turn to 81.

2 If you can tell me, like, for example, this claim, is there anything in
3 this claim specifically that you think is not shown in the references? You
4 talk about multiple pieces of information, but wouldn't that just be obvious:
5 First name, last name, credit card information?

6 MR. CANNON: I think if you consider the -- if you consider -- let's
7 say each subparagraph as an element on its own. Probably none of them are
8 shown. If you divide those paragraphs into subelements, then yeah, they
9 probably are all shown.

10 JUDGE MOHANTY: So you just think the basic is not obvious
11 because prescriptions are more complicated?

12 MR. CANNON: What I was going to lead to earlier was when the
13 Schlampf machine has to be modified, one of the things that has to work to
14 make it work with a system like Williams is to modify its software, not only
15 to do the distribution but also to talk to the Williams software.

16 So you are going to have to create software to link the prescription,
17 the location for loading. You are going to have to create software to link the
18 customer input to the location and you are going to have to integrate that
19 software with software that's already present in the pharmacy in order to
20 make it work.

21 That's a lot of modification to what's a fairly simply machine in the
22 case of Schlampf.

23 A couple of other things I wanted to mention. Claim 66 recites,
24 "providing counseling regarding the prescription via the automated
25 dispenser."

26 Williams talks about counseling because that's what pharmacists do.

1 But it never gives the -- it never provides the idea of actually providing
2 counseling to the customer through an automated dispenser, and certainly
3 Schlampf doesn't talk about that either.

4 There are also some dependent claims, 68, 77, 93 and 112, that talk
5 about either automatically billing an insurance provider --

6 JUDGE MOHANTY: Was that 67, 88?

7 MR. CANNON: I'm sorry. 68, 77, 93 and 112 that talk about either
8 automatically billing an insurance provider or automatically billing some
9 third party. Again, that's clearly not part of what Schlampf is doing with
10 their machine.

11 And then the last that, again, I think is a key difference, claims 82, 83,
12 95 and 110 talk about scanning the information about the prescription to
13 enter the customer information to begin with.

14 Again, that's something that any pharmacy -- is going to be convenient
15 for any pharmacy to do. That's why they have bar codes on prescriptions to
16 start with. The ability to simply scan the prescription and get all the
17 information in and then be able to use that information as part of their
18 automatic distribution system again is something that Schlampf never really
19 touches on.

20 JUDGE MOHANTY: I have no further questions.

21 JUDGE LORIN: Thank you, Counsel.

22 MR. CANNON: Thank you very much.

23 (Whereupon, the proceedings at 10:09 a.m. were concluded.)
24